

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430  
P. O. Box 952053  
Sacramento, CA 94252-2053  
(916) 323-3177  
FAX (916) 327-2643



November 7, 2008

Mr. Greg Wade  
Community Development Director  
City of Imperial Beach  
825 Imperial Beach Blvd.  
Imperial Beach, CA 91932

Dear Mr. Wade:

**RE: Review of the City of Imperial Beach's Revised Draft Housing Element**

Thank you for submitting Imperial Beach's revised draft housing element received on September 12, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). The review was facilitated by communications with Messrs. Jim Nakagawa, City Planner, and Eric Veerkamp, the City's Consultant.

The revised draft element addresses some of the statutory requirements described in the Department's November 22, 2006 review (enclosed). However, further revision is necessary to comply with State housing element law (Article 10.6 of the Government Code). The following additional changes are needed:

1. *Include an inventory of land suitable for residential development, including sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

The element was not revised to address the land inventory requirements as detailed in the previous review and continues to require revisions to adequately describe and analyze the suitability of sites and strategies to address the City's remaining regional housing need, specifically for lower-income households.

Sites Inventory: The element continues to lack a complete non-vacant sites inventory and analysis. While the element was revised to include a parcel specific listing of non-vacant sites (Appendix F), it must be expanded to include zoning, general plan designation, size and an estimate of the potential unit capacity for each site.

Realistic Capacity: The element was not revised to address this statutory requirement. Please note, when estimating the realistic residential capacities on non-residentially designated sites, the analysis must specifically account for the extent to which uses other than residential are allowed on identified sites and the impact of existing uses on the potential for additional residential development.

Suitability of Small Sites: The sites included in Appendix E – particularly those sites located within the commercial zones identified for mixed-use development which the element indicates have the greatest potential to accommodate housing for lower-income households - are all smaller than half an acre in size. The element was revised to indicate vacant parcels included in Appendix E offer little opportunities for lot consolidation as they are primarily isolated, scattered infill sites and discusses limits of Measure P (page 67). However, as it appears the City continues to rely on these very small sites to accommodate a portion of its regional need for lower-income households, the element must demonstrate the potential and ability of small sites to facilitate housing for lower-income households. For example, while it may be possible to build housing on a very small parcel, the nature and conditions necessary to construct the units often render the provision of housing affordable to lower-income households infeasible. The element could consider recent development trends to facilitate this analysis. This is particularly important given the necessary economies of scale to facilitate the development of housing affordable to lower-income households. For example, most assisted housing developments utilizing State or federal financial resources typically include at least 50 to 80 units.

In addition, as necessary depending on the size and capacity of underutilized sites listed in Appendix F, the element should include a discussion of lot consolidation potential for redevelopment sites and the ability of sites to accommodate housing for lower-income households.

Suitability of Non-Vacant Sites: To demonstrate the adequacy of non-vacant sites identified in Appendix F to accommodate the City's remaining regional housing need, particularly for lower-income households, the element must still provide analyses regarding the feasibility of underutilized sites and revise programs to encourage and facilitate the redevelopment of underutilized sites and, if necessary, address requirements of Government Code Section 65583.2(h). For example, the element indicates the City will net 15 units of housing on non-vacant sites that would be affordable to low-income households (page 69), but provides little information on the suitability of non-vacant sites for redevelopment or to accommodate housing for lower-income households. In particular, additional information is needed as follows:

- As noted in the previous review, the element continues to require information on the extent existing uses may constitute an impediment to additional residential development. The description must be specific enough to determine realistic development potential. For example, the condition or age of existing uses and the potential for such uses to be discontinued and replaced with housing (within the

planning period) are important factors in determining the “realistic” development potential. The City may wish to focus on those sites which have been previously identified as having the greatest potential for recycling (i.e., sites identified in the SANDAG study) and discuss how these sites were determined to have the greatest potential for redevelopment.

- The element should also include a description of the local government’s track record and specific role in encouraging and facilitating redevelopment, adaptive reuse, or recycling to residential or more intense residential uses. The City could consider general market conditions supportive of redevelopment on underutilized properties including development trends within the area, low improvement vs. land values, interest expressed by property owners and nearby revitalization activity.
2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land-use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures (Section 65583(a)(5)).*

Land-Use Controls: The element continues to require an analysis to demonstrate the cumulative impacts of development standards on the cost and supply of housing and the ability to achieve maximum densities. Also, as detailed in the previous findings, given the reliance on mixed-use zoning districts, the element must include a complete listing and evaluation of development standards for mixed-use.

Fees and Exactions: The element was not revised to address the finding. Information on this statutory requirement, including sample analyses are available on the *Building Blocks*’ website at [http://www.hcd.ca.gov/hpd/housing\\_element2/CON\\_fees.php](http://www.hcd.ca.gov/hpd/housing_element2/CON_fees.php).

3. *Identify actions that will be taken to make sites available during the planning period of the general plan with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing (Section 65583(c)(1)).*

As noted above, the element continues to lack a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or strengthen programs.

For your information, where the inventory does not identify adequate sites pursuant to Government Code Sections 65583(a)(3) and 65583.2, the element must provide a program to identify sites in accordance with subdivision (h) of 65583.2 for 100 percent of the remaining lower-income housing need with sites zoned to permit owner-occupied and rental multifamily uses by-right during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 20 units per acre. Also, at least 50 percent of the remaining need must be planned on sites that exclusively allow residential uses. In addition, the City should consider the following:

- As the City appears to be relying on the redevelopment of underutilized sites and the potential for mixed-use development to accommodate its RHNA for lower-income households, the element must include specific program actions to promote redevelopment of underutilized sites or incentives to encourage and facilitate additional or more intense residential development on non-vacant and underutilized sites. While the element includes programs W, Bb, and Dd to provide incentives such as fee deferral, fast tracking and density bonus incentives, the City could also consider the following: 1) organizing special marketing events geared towards the development community; 2) posting the sites inventory on the local government's webpage; and 3) identifying and targeting specific financial resources.
4. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

Absent a complete analysis of potential governmental constraints, it is not possible to fully determine if the City's programs adequately mitigate governmental constraints. Upon conducting a complete analysis, the element may have to add or revise programs to mitigate or remove any identified constraints.

In addition, the element should be revised to update the program implementation status of Program V (page 99) including the status of the EDAW study on processing requirements for mixed-use projects and when the City anticipates implementing any zoning and/or permit processing changes to reduce uncertainty in the City's approval process for mixed-use developments.

Once the element has been revised to adequately address these requirements, it will comply with State housing element law. Please note, however, pursuant to Government Code Section 65583(c)(7), the City must continue to make a committed effort to include residents and community stakeholders during both the revision and adoption of the element in the months to come and the adopted element should describe these efforts.

To facilitate the City's efforts to bring the element in compliance with State law, the Department would be happy to arrange a meeting in Imperial Beach or Sacramento to provide any assistance needed. If you have questions or would like further assistance, please contact Jennifer Seeger, of our staff, at (916) 322-4263.

Sincerely,



Cathy E. Creswell  
Deputy Director

cc: Eric Veerkamp, Consultant, Raney Planning and Management